

Meeting Summary

TNUoS Task Force Meeting 9.5

Date: 25/10/2023	Location: Virtual via MS Teams
Start: 13.00	End: 14:30

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Adam Morrison (AM)	Attend	Joseph Dunn (JD)	Attend
Aled Moses (AMo)	Attend	Jo Zhou (JZ)	Attend
Binoy Dharsi (BD)	Attend	Keren Kelly (KK)	Attend
Brendan Clarke (BC)	Attend	Lauren Jauss (LJ)	Regrets
Christian Parsons (CP)	Attend	Neil Dewar (ND)	Attend
David Tooby (DT)	Attend	Nick Everitt (NE)	Regrets
Deborah Spencer (DS)	Attend	Nicky White (NW)	Attend
Elana Byrne (EB)	Attend	Paul Jones (PJ)	Attend
George Moran (GMo)	Attend	Sam Davies (SD)	Regrets
Grace March (GMa)	Attend	Sam Hughes (SH)	Regrets
Harriet Harmon (HH)	Attend	Sara Chleboun (SC)	Attend
Jamie Webb (JWe)	Attend	Simon Lord (SL)	Attend
John McLellan (JM)	Attend	Sinan Kufeoglu (SK)	Attend
John Tindal (JT)	Attend	Stephen McKellar (SM)	Attend

Agenda Point 1: Introduction and Welcome

The Chair welcomed those attending the call and outlined the agenda points to be covered in the meeting.

Agenda Point 2: Action Review

The ESO representative highlighted the actions where progress had been made since the last meeting:

- Action 11 (11/10): Call held between ESO and JT on the scaling factor modifications and interactions with the Backgrounds sub-group work – action to be closed.
- Action 12 (11/10): Scaling factor modification being taken to Panel on 27 October with analysis being undertaken ready for the first Workgroup – action to be closed.

- Action 15 (11/10): The ESO representative, ESO Revenue team, BC and the consultants will meet in December to see how TO data is used in the Transport Model – action to be closed.
- Action 17 (11/10): An update on what data inputs are to be reviewed by the Data Inputs sub group will be shared at the November Task Force meeting along with input from JT on the security factor – action to be closed.
- Action 18 (11/10): The consultants have been updated on the work of the Signals sub group. Budgets to be checked for further work – action ongoing.
- Action 21 (11/10): Agenda set for the 25 October Task Force meeting with an update on Market-wide Half Hourly Settlement – action to be closed.
- Action 22 (11/10): Location details of the London Task Force meeting on 15 November to be shared with Task Force members shortly (final arrangements being confirmed with the venue) – action ongoing.
- Action 23 (11/10): Email shared with the Task Force requesting volunteers for Transmission Charging Methodologies Forum (TCMF) updates – action to be closed.

All open actions can be found at the end of the Meeting Slides for this meeting and the ESO representative will be contacting owners of outstanding actions with a view to completing and closing off tasks where possible.

Agenda Point 3: Market-wide Half Hourly Settlement

Slides shared with the group are available in the Meeting Slides on the Charging Futures website.

Introductions were made by the representatives leading the Market-wide Half Hourly Settlement (MHHS) programme for the ESO.

An overview of the timeline for the programme including the migration period (April 2025 – October 2026). It was noted that following all sites migrating (i.e., by late 2026, early 2027), the settlement timetable will be shortened from the current 14 months down to 4 months.

In the context of this programme, ‘short-term’ relates to the period up to migration, ‘medium-term’ relates to the migration period and ‘long-term’ relates to the period post-migration.

The problem statements shared with the group in Meeting 9 were reiterated, i.e., i) the need for a shorter-term solution via the CUSC to protect users from double charging and facilitate the MHHS programme implementation successfully within the milestones set, and ii) a longer-term view of TNUoS charging post-migration.

In regards to the short-term period, a reminder was shared as to the data points available currently from the Transmission Use of System (TUoS) Report and the influence of [CMP401 \(Maintaining Non Half Hourly \(NHH\) charging arrangements for Measurement Classes F and G\)](#) to protect users from double charging until the end of MHHS migration. It was highlighted that migration won’t impact tariff setting for Charging Year 2024 but will impact Charging Year 2025.

Regarding governance for the MHHS legal text changes, the Authority representative confirmed that discussions are ongoing between themselves, the ESO and Elexon to determine the most appropriate route that will be feasible within the expected timelines (i.e., whether implementation is via CUSC modification or whether the Authority use their Significant Code Review (SCR) powers to make legal text effective by March 2025). It was noted that this decision will be influenced by the Task Force’s view on whether a chosen solution (and its legal text) will be ready for February 2024.

Regarding the medium-term (migration) period, the ESO MHHS representative shared the headline points of note for migration to the Target Operating Model (TOM) arrangements, including:

- Numbers of Meter Point Administration Numbers (MPANs) involved (33 million).
- Who will migrate the MPANs (suppliers).

- How reverse migration could arise for some end users (depending on migration timings between suppliers).
- The risk of double charging for some users with the end of CMP401 protection.

Central systems and Distributed Network Operators will enforce caps on user migration to manage the process, so therefore suppliers will have an 18-month window to migrate their users.

Since the feedback from the last meeting, conversations had been held between the ESO, Elexon and the Authority MHHS team about data items available. It has been confirmed that the data available during migration (which are part of the current programme baseline) will not allow a pseudo-measurement class to be assimilated for segmentation. A Task Force member asked whether a new data flag could be introduced to assign users to half hourly/non-half hourly methodologies, to which the Authority representative confirmed that this had already been explored with Elexon but was considered not possible without jeopardising the imminent IT testing (which is in turn critical to delivery of the final MHHS Programme solution).

It was summarised that the options for potential solutions in this period are the four potential solutions brought to the last meeting by the ESO, plus options raised by Task Force members in the last meeting. These additional options were to either consider different segmentation methods or split differently from the base number (respectively). The ESO confirmed that their Revenue team have been engaged to assess the viability of these options.

It was posed to the Task Force that a cost benefit analysis and/or a risk benefit analysis should be carried out for options being considered further.

The ESO MHHS representative reiterated that any short- to medium-term solutions progressing would then need to be considered by the Authority as to the appropriate code governance routes for implementation, but raised a question to the group as to whether they would support a consideration for the CUSC to be de-linked as part of pre-migration policies.

A Task Force member suggested that considering the current charging methods as Method A (half hourly) and Method B (non-half hourly) would be clearer terms to frame the situation and felt it highly unlikely that new charging methodologies would be possible before April 2025. The Authority representative acknowledged that challenge but felt that exploring its feasibility was worthwhile. Whether or not an enduring long-term solution was possible to formulate ahead of migration, the medium-term challenge for a potential interim solution was a necessary focus for the group to assist with, allowing more time to then consider the long-term solution. The Authority representative noted that for the baseline treatment the MHHS will introduce (medium-term), the challenge is how charging fits into that. Then second to that (i.e., longer-term), the question is whether the baseline treatment is appropriate for the future.

A Task Force member felt that while most customers currently charged non-half hourly could be protected from double charging, some would be impacted by the move to half hourly charging and therefore a communication piece would be needed to make that clear.

Regarding double charging risks, it was discussed how timings will be critical with a window where those moving from non-half hourly would be caught by triad charging as well (which wouldn't be the case for those moving either side of that triad window).

A Task Force member asked whether MPANs can track what has already been billed to prevent a double charge. The ESO MHHS representative clarified that in terms of tracking MPAN billing, the ESO would not have access to that level of data, which the Authority representative confirmed and suggested that either suppliers were asked to support with this task and/or a Meter Point Administration Service (MPAS) data request be put to ElectraLink to show measurement classes (see Action 1 below).

ACTION 1 (KK, ND): Explore whether suppliers or ElectraLink could provide data to show measurement classes/billing status.

User/Site identification

In response to a Task Force member's question about identifying users, the Authority representative outlined that domestic and non-domestic users will be identifiable before and after migration to MHHS via the data that will be available. Therefore, at a minimum, current policy position will ensure that domestic users migrate to the half hourly methodology and do not fall onto triad charging. However, for those currently on triad charging, it's not known how many sites would fall out of that arrangement after migration.

The Task Force were invited to raise a case for change if they feel that this policy position is incorrect.

The Authority representative posed the main question at hand relating the medium-term solution:

If sites *cannot* be differentiated by usage above/below 100KWh, but *can* be differentiated as domestic/non-domestic and using whole current/current transformer (CT), are those appropriate ways to segment the customer base to assign charging arrangements post-migration? If not, is there other information, from other sources, that could support this.

After questions from a Task Force member, the ESO MHHS representative further clarified the user identification challenge. As post-migration demand/usage level will not be a classification factor for how customers are charged, some high demand/usage domestic sites (using over 100KWH & previously on triad arrangements) would simply be charged as a domestic on half hourly arrangements despite that high usage.

The Authority representative suggested that the different classes of sites could be mapped to help assess the changes different site types would experience (domestic/non-domestic, above/below 100KWh, whole current/combined Current Transformer-Voltage Transformer (CTVT), metering characteristics etc.).

ACTION 2 (KK, ND): map the classification of different site types against available data points pre- & post-migration to identify changes in charging arrangements (and which sites will have a risk of double charging or inappropriate new arrangements).

A Task Force member asked if there would be exceptions if whole current was used as a site identifier (as whole current users should be using under 72KWh)? The Authority representative suggested a data request from suppliers could identify how many whole current users are over that threshold to illustrate how useful an identifier whole current would be.

ACTION 3 (KK, ND): Approach suppliers as to the data that could be supplied re: whole current users over threshold and billing at point of migration.

A Task Force member suggested that metrics are identified for determining policy position for treatment of non-domestic users (if it's agreed to keep domestic users on non-half hourly arrangements vs triad charging). I.e., where a line is drawn to determine which sites are determined to be domestic/non-domestic to prevent too many sites switching to/from half hourly. It was suggested that scenarios were created for different classifications of domestic/non-domestic sites to assess the impact of those changes.

ACTION 4 (KK, ND): identify the metrics for classifying domestic/non-domestic users and scenario/algorithm mapping for the impacts of different classifications.

Migration period solution options

In regard to the options for the medium-term migration challenge, the Chair clarified, with support from the Authority representative, that finding the most appropriate solution was the priority and policy could, in turn, be considered to support that. Proportionality and pragmatism as to implementation timescales would need to be factored into the medium-term solutions.

A Task Force member lent their support to exploring the option to move everyone to non-half hourly charging (with a potential to opt-in to triad charging if it didn't add too much complexity and jeopardise the April 2025 milestone). They felt that proportionally this would have a smaller impact but critically avoid the double charging issue while longer-term charging arrangements are considered. The ESO supported exploring a risk/benefit assessment being carried out to explore this (and other options).

The Authority representative noted that with the option to move everyone to non-half hourly charging, it would need to be recognised that storage and generation power station demand would also make that change too, with liabilities and operational signals to also be considered. It was raised that supplier Balancing Mechanism Units (BMUs) could potentially be treated differently (e.g., charged on the non-half hourly regime) to generation BMUs (e.g., charged on the triad) to address this. A Task Force member (representing storage parties) agreed that this could be a valid option, but careful assessment would be required.

A Task Force member questioned what other changes to demand charges would be expected if everyone was to move to a non-half hourly regime to test the validity of this option. A suggestion was to split the Peak Security signal to be on the non-half hourly regime from the Year Round signal and consider whether the 4pm-7pm window was best to change.

Nest steps:

- Work to be done by the ESO independent of the Task Force to map site types pre- & post- migration under Option 3 ‘pseudo measurement’ arrangements. Other options are still to be explored e.g., Option 2’s blanket move to non-half hourly with consideration of a supplier/generation BMU arrangement.
- TCMF used as a forum for socialisation and discussion with industry.
- ESO to engage with suppliers, including wider representation outside of Task Force.
- ESO to bring the topic back to the Task Force for further input.

The Authority representative noted that the longer-term question around charging arrangements and use of triads fell within scope of the Task Force, but while the medium-term migration solution did not fall within that scope, the viewpoints of the Task Force were beneficial.

Agenda Point 4: Next steps, AOB and Meeting Close

- The ESO representative gave an update on recent conversations with the Distributed Generation sub-group, with an update due to be shared with the Task Force at the November meeting.
- **ACTION 5 (Task Force):** Email CP with any topics for the Distributed Generation sub group to discuss at meeting w.c. 30 October
- It was highlighted that the Charging Futures Forum is due to take place on 31 October and the Markets Day event is taking place on 08 November.

Action Item Log

Action items: new actions from this meeting

<u>ID/ date</u>	<u>Agenda Item</u>	<u>Description</u>	<u>Owner</u>	<u>Notes</u>	<u>Target Date</u>	<u>Status</u>
1 (25/10)	3	Explore whether suppliers or ElectraLink could provide data to show measurement classes/billing status.	KK, ND		Nov-Jan	Open
2 (25/10)	3	Map the classification of different site types against available data points pre- & post-migration to identify changes in charging arrangements (and which sites will have a risk of double charging or inappropriate new arrangements).	KK, ND		Nov-Jan	Open
3 (25/10)	3	Approach suppliers as to the data that could be supplied re: whole current users over threshold and billing at point of migration.	KK, ND		Nov-Jan	Open
4	3	Identify the metrics for classifying domestic/non-	KK, ND		Nov-Jan	Open

(25/10)		domestic users and scenario/algorithm mapping for the impacts of different classifications.			
5 (25/10)	4	Email CP with any topics for the Distributed Generation sub group to discuss at meeting w.c. 30 October	Task Force		w.c 30 October Open

Action items: In progress and completed since the last meeting

<u>ID/ date</u>	<u>Agenda Item</u>	<u>Description</u>	<u>Owner</u>	<u>Notes</u>	<u>Target Date</u>	<u>Status</u>
1 11/10	3	Feedback an update to Task Force on the SQSS review outlined in the 2021 Business Plan and any differences to the review required for the Backgrounds work.	JWe, CP		Nov mtg	Open
2 11/10	3	Review 2022 Task Force documents for SQSS review plans for 2023.	CP		Nov mtg	Open
3 11/10	3	Assess the materiality of the defect/changes for Backgrounds and urgency of the defect/changes (re: CUSC Panel prioritisation criteria) to define the method for making those changes.	Task Force		Ongoing	Open
4 11/10	4	Contact sub group(s) which may benefit from the Ocean Winds/Aurora consumer impact work to assess it as an evidencing resource.	AM		Ongoing	Open
5 11/10	6	ESO to contact SL to understand the technical input for the storage multiplier profile & a 'de minimis' level of sharing, assess what may be covered in CMP405 (or other lines of work), discuss if solar PV question is relevant for other sub groups to address.	CP	Update to be fed back to the Task Force	Nov mtg	Open
6 11/10	6	Consider a new workstream to discuss the treatment of non-firm connections and charging.	CP/Task Force		Nov mtg	Open

7 11/10	6	Find a consistent interpretation of 'non-firm connection' and bring to Task Force to agree.	Sharing sub group		Ongoing	Open
8 11/10	6	Consider where solar is included or reflected in the model/TNUoS assumptions.	Task Force/Sharing sub group		Ongoing	Open
9 11/10	6	Consider erroneous negative non-shared tariff zones in the South.	Task Force/Sharing sub group		Ongoing	Open
10 11/10	6	Assess who undertakes any technical analysis for Sharing and if this is best done as part of the Task Force or a CUSC Workgroup (i.e., move this to a modification proposal).	Task Force, CP, SL		Nov mtg	Open
11 11/10	7	Arrange a call with JT and ESO on the scaling factor modification and interactions with Backgrounds.	CP		Oct mtg	Closed
12 11/10	7	Scaling factor modification proposal to be submitted as soon as possible with a level of materiality clear within it (i.e., input scaling factors into the model).	ESO		Oct mtg	Closed
13 11/10	7	Bilateral conversations and regular updates to be shared with the Task Force from the scaling factor modification.	CP, MC		Ongoing	Open
14 11/10	7	Contact CP as to the information needing more transparency for ESO to review and respond to ahead of a discussion session at a future Task Force meeting (reminder to be shared at Oct, Nov meeting).	Task Force		Ongoing	Open
15 11/10	7	CP to discuss Transmission Owner (TO) data with the Revenue team to share how it's used in the model and arrange discussions with the TOs themselves.	CP	Meeting to be held in December	December	Closed

16 11/10	7	Ask the SQSS Team whether they can easily determine how double circuits are considered.	CP		Nov mtg	Open
17 11/10	7	Arrange calls to discuss the pressing questions on Data Inputs and agree next steps ahead of Nov meeting.	CP	Update at Nov mtg	Nov mtg	Closed
18 11/10	11	Update consultants on when feedback on the Signals proposal will be available.	CP	Consultants updated, budgets being reviewed	Ongoing	Open
19 11/10	11	Bring the Signals sub-group work packages to the CMP413 Workgroup to assess their materiality to the modification.	BD		Ongoing	Open
20 11/10	9	ESO representatives to take away lines of enquiry on MIC thresholds, line loss options, solution timings for suppliers' contracts and the tariff derivation option (to ESO Revenue team) to explore further.	KK, ND		Oct & Nov mtgs	Open
21 11/10	9	Set an agenda for the new Demand Charging workstream (including the ESO representatives on MHHS) on 25 Oct.	CP	To discuss objectives, priorities and key timing milestones considering Task Force and Authority comments from Mtg 9.	23 Oct	Closed
22 11/10	12	Specifics of the November meeting location to be shared with the Task Force.	DS, EB		Oct mtg	Open
23 11/10	12	Email to be shared with a rota for Task Force members to share an update at TCMF.	CP		Oct mtg	Closed
24 11/10	12	Feedback required as to the benefits of the Task Force for tackling its objectives to play back to the Innovation funding team.	Task Force		Ongoing	Open

Action items: Open actions from previous meetings

<u>ID/ date</u>	<u>Agenda Item</u>	<u>Description</u>	<u>Owner</u>	<u>Notes</u>	<u>Target Date</u>	<u>Status</u>
1	3	Check whether OpTIC would smoothen step changes in	JD		Ongoing	Open

15/09		network development, check whether the model could cope with half a circuit. Consider timing and frequency of phasing data with ESO outputs.				
2 15/09	5	Set up a working session between the OptTIC proposers and ESO NOA experts (including exploration of risk)	CP	HH agreed to be part of this conversation	TBC	Open
3 15/09	5	Set up bilateral conversations with OptTIC proposer to pick up specific questions	GMa, Amo, PJ		Ongoing	Open
4 15/09	5	Share thoughts with the Authority representative as to the OptTIC model falling within scope for the Task Force	Task Force	Open invitation from the Authority for Task Force members to share thoughts	October	Open
5 15/09	6	Provide absolute values for the Y-o-Y tariff changes across regions (re: historic volatility)	Frontier/LCP		TBD with Frontier/LCP	Open
6 15/09	8/9	Check with ESO SQSS experts as to a review of sharing factors to play back to the Task Force (and the Backgrounds workstream)	JW		TBC	Closed
7 15/09	8/9	Signals and Tech Type workstreams to feed back to Task Force their views on the treatment of demand raised in the Backgrounds workstream	GM, Amo		Nov/Jan meeting	Open
8 15/09	12	Contact the Abs v Rel workstream if there are other views for a case for change	Task Force		Oct/Nov meetings	Open
9 15/09	12	Contact the Abs v Rel workstream with thoughts/questions	HH		Oct meetings	Open
10 15/09	13	All workstream leads to create a high-level timeline and action plan for each workstream	Workstream leads	Timings to be collated by CP to create a longer-term Task Force road map	Meeting 9 (11 Oct) if possible	Open
2 18/08	2	Consider using initial workstream proposals as alternative format for information to stimulate stakeholder feedback.	Task Force	To be reviewed once workstreams have shared their initial thoughts	Mtg 8-10	Open

3 18/08	4	Ownership and timings defined for the OTNR Sub-Group closure report	JS	Closure Report to be shared with TF once complete (NP @ESO)	October	Open
5 18/08	7	A one-page report for the Charging Futures website to summarise the reference node modification plans and individuals involved.	JT	To also reflect any further views not captured at TF meeting 7.5 and provided as part of action 4 above.	November	Open
6 18/08	7	Draft modification proposal to be raised.	JT		Mid-Oct (JT to advise)	Closed
7 18/08	7	BAU update to TCMF with ESO/Propose to agree who will present the Reference Node proposal to relevant TCMF.	JT, CP	Topic to be added to TCMF Oct agenda.	Oct TCMF	Closed
9 18/08	8	Share draft 'negative scaling' modification proposal with the Task Force to review prior to submission	JS/MC	JT and Backgrounds workstream to link with this project for updates	Q4 2023	Open
10 18/08	9	Review the current modification tracker for a version to feature in future Task Force meetings or shared for visibility.	JS, CP, DS, EB	Version to be shared in Oct Mtg 9 – further detail to be shared in Nov Mtg 10	Mtg 10	Open
1 27/07	3	Consider whether updating the 'pseudo-CBA approach' to scaling factors is currently feasible with the data available and whether case for change should include the analysis from the consultants	JT	Consider as part of Backgrounds case for change - ongoing	Mtg 8	Open
3 27/07	3	Consider whether backgrounds are complicating understanding of how charges work or a necessary element of the cost reflectivity of the model.	Task Force		Mtg 8	Open
6 27/07	5	Review past calculations for sharing to provide a recommendation for what work would be feasible now	Frontier/LCP	Information shared by SL 28 Jul	TBC	Open
7 27/07	5	Consideration of renewables in sharing (wind vs wind, treatment of solar).	Frontier/LCP	JS to assess information needed	TBC	Open

8 27/07	5	Exploration of turning off sharing to see impacts on final charges and volatility	Frontier/LCP		Mtg 8	Closed
9 27/07	8	Consider calculating using a 5 year average rather than current 5 year method	Frontier/LCP		Mtg 8	Closed
11 27/07	8	Consider the information available to share with consultants & TF re: potential new ESO products and impacts on FPN, and possible new data input modification	JS		TBC: updates can follow after final internal reviews of proposed products	Open
12 27/07	8	Absolute values to be shared for the impact of using FPN only on Year Round components of the tariff.	Frontier/LCP	Material impacts possible for different scales of plant. Ongoing to form part of AFL analysis	Ongoing	Open
14 27/07	8	Consider aligning Week 24 data with the SQSS change and move to gross demand.	JZ		Ongoing	Open
15 27/07	8	Contact TOs for a view on what data inputs could be more regularly updated (re: locational tariff calculations) with a material impact and their view on revenue being deferred for a year	JS, NW	Will form part of wider Data Inputs workstream and discussion	Ongoing	Open
5 26/06	3-7	Can indicative monetary values be provided for the impacts of the different backgrounds on differently-sized projects.	Frontier/LCP		Up to Mtg 10	Open
7 26/06	3-7	Additional analysis shared on metrics used to compare volatility between actual and estimated charges.	Frontier/LCP		Ongoing – Frontier need a steer on what is required	Open
10 26/06	3-7	Bring together the Task Force representatives and the ESO SQSS Review team (when in a position to do so) to discuss potentially parallel/overlapping interests.	JS, SS to explore with BD	To feed into case for change if required	Ongoing	Open

12 26/06	8-10	Revisit ESO work on embedded generation in relation to the transport model and share with the Task Force if relevant.	JS & NW	To consider as part of distributed generation element work package	Ongoing	Open
17 26/06		Update from OTNR sub-group	JT		Mtg 7.5/8	Closed
1 26/04	1	Provide update on recruiting Non-Domestic user reps to Task Force	JS & NW	Discussions ongoing for a named rep. Non-Domestic Supplier forums updated by JS	Ongoing	Open
10 26/04	7	Investigate more granular data sources for DNO embedded distribution to support the methodology & analytics	JS	Need TF to identify the data needs before exploring sources (part of Distributed Generation work). Update to be shared by CP ahead of Mtg 9	Ongoing	Open